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MEMORANDUM

NATIONAL SECURITY COUNCIL

SECRET

July 8, 1982

INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

FROM:

DON GREGG

SUBJECT:

Taiwan Arms Sales

The Chinese are more likely to accept the draft communique the President has authorized Ambassador Hummel to table in Beijing if the communique acknowledges (but does not give U.S. support to) Chinese principles on the Taiwan arms sales issue. The verb acknowledges was used in the Shanghai Communique to bridge an impasse over Chinese insistence that the United States affirm Chinese sovereignty over Taiwan. In the Shanghai Communique it was stated that "the U.S. acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is part of China." This was reformulated in the Normalization Communique as the U.S. acknowledges the Chinese position that there is but one China and Taiwan is part of China." (Underlining added).

I propose a similar use of <u>acknowledges</u> to show the Chinese that we are aware of their principle on arms sales even though we cannot and will not affirm it.

Accordingly, I propose the addition of one sentence at the end of paragraph 8 in the draft communique as follows:

"Similarly, the United States does not seek to carry out a long-term policy of arms sales to Taiwan. It expects a gradual reduction of its arms sales, over a period of time, leading ultimately to a final resolution. In so stating, the U.S. Government acknowledges the Chinese principle regarding elimination of this issue over a period of time."

The addition of the underlined sentence should give the Chinese a face-saving ambiguity regarding the principles they have been bargaining for. On the other hand, it does not commit the U.S. to anything and does not conflict with our determination to continue supplying arms to Taiwan.

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<u>SECRET</u> Review on 7/8/88